

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 04321 300732Z

17

ACTION AGR-20

INFO OCT-01 EUR-25 EA-11 NEA-10 ISO-00 SWF-02 AID-20 EB-11

COME-00 TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01

/112 W

----- 024606

R 291550Z MAR 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 0582H

INFO AMEMBASSY CANBERRA

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY OTTAWA

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 4321

PASS AGRICULTURE (FAS AND ERS)

E.O. 11652: N/A

TAGS: EAGR, IN

SUBJ: INDIAN FOODGRAIN SITUATION

REF: A. NEW DELHI 3630, B. NEW DELHI 3549

SUMMARY: ON MARCH 28, MINISTER AHMED ANNOUNCED THE WHEAT PROCUREMENT AND PRICE POLICY FOR THE 1974-75 RABI MARKETING SEASON. A MAJOR FEATURE OF THE NEW POLICY IS THE REINSTITUTION OF PRIVATE TRADE OPERATIONS IN THE WHEAT BUSINESS. THE VERY DRY WEATHER CONDITIONS CONTINUED THROUGH MARCH 20. OUR CURRENT ESTIMATE OF THE 1973-74 RWYGRAIN IS APPROXIMATELY 102-105 MILLION METRIC TONS. GOI HAS BEEN OFFERED ADDITIONAL LIMITED QUANTITIES OF WHEAT FROM AUSTRALIA AND IS PRESENTLY SEEKING ADDITIONAL SUPPLIES OF WHEAT FROM CANADA. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 04321 300732Z

1. ON MARCH 28, THE GOI'S AGRICULTURE MINISTER AHMED ANNOUNCED IN PARLIAMENT THE WHEAT PROCUREMENT AND PRICE POLICY FOR THE COMING RABI MARKETING SEASON, WHICH, IN EFFECT, SCRAPS THE POLICY OF STATE TAKEOVER OF THE WHOLESALE WHEAT TRADE INITIATED BY THE GOVERNMENT LAST YEAR. THE NEW POLICY ALLOWS THE WHOLESALE DEALERS TO OPERATE IN THE WHEAT BUSINESS UNDER A SYSTEM OF LICENSING AND CONTROLS, INCLUDING AN UNSPECIFIED CEILING ON THEIR OPEN MARKETING SELLING PRICES AND STRINGENT MEASURES (UNSPECIFIED) AGAINST POSSIBLE VIOLATIONS. ALTHOUGH SINGLE STATE WHEAT ZONES WILL CONTINUE, THERE WILL BE NO MOVEMENT RESTRICTIONS ON TRADING WITHIN STATES BY THE PRIVATE TRADE. ADDITIONALLY, WHEAT MAY BE MOVED FROM ONE STATE TO ANOTHER BY THE TRADE UPON OBTAINING THE NECESSARY PERMIT FROM THE GOVERNMENT AUTHORITIES.

2. THE PROCUREMENT PRICE ANNOUNCED BY MINISTER AHMED FOR THIS YEAR'S WHEAT CROP WILL BE RS 105 PER QUINTAL FOR ALL VARIETIES, AS COMPARED TO LAST YEAR'S RS 71-82 PER QUINTAL FOR DIFFERENT VARIETIES. NO WHEAT PROCUREMENT TARGET WAS SET FOR THE FIRST TIME IN MANY YEARS. HOWEVER, A 50 PERCENT PROCUREMENT LEVY WILL BE IMPOSED ON WHEAT PURCHASES BY PRIVATE WHOLESALERS AND COOPERATIVE SOCIETIES IN THE IMPORT WHEAT-PRODUCING STATES OF PUNJAB, HARYANA, UTTAR PRADESH, MADHYA PRADESH, AND RAJASTHAN. IN OTHER WHEAT-GROWING STATES THE STATE GOVERNMENTS HAVE BEEN AUTHORIZED TO UNDERTAKE PROCUREMENT THROUGH A GRADED LEVY ON PRODUCERS AT THE SAME TIME, PROCUREMENT BY PUBLIC AGENCIES WILL CONTINUE AT THE ANNOUNCED NEW PROCUREMENT PRICE. WITH THE INCREASE IN THE PROCUREMENT PRICE, THE ISSUE PRICE OF WHEAT FROM GOVERNMENT STOCKS AS WELL AS THE RETAIL SELLING PRICE TO THE CONSUMERS AT THE FAIR PRICE SHOPS WILL BE INCREASED.

3. THE VERY DRY WEATHER CONDITIONS OF THE LAST 2 1/2 MONTHS CONTINUED THROUGHOUT THE WEEK ENDING MARCH 20. THE PRESS AND A NUMBER OF INDEPENDENT OBSERVERS OF THE INDIAN AGRICULTURAL SCENE CONTINUE TO TAKE A PESSIMISTIC VIEW IN REGARD TO THE OUTLOOK FOR THIS YEAR'S TOTAL FOODGRAIN CROP. WE CURRENTLY ESTIMATE THAT THE 1973-74 FOODGRAIN HARVEST WILL APPROXIMATE 102-105 MILLION METRIC TONS. THIS ESTIMATE WILL BE SUBJECT TO FURTHER REVISIONS AS THE RABI CROP SEASON PROGRESSES. AGATTACHE OFFICE IS PLANNING A TWO-WEEK FIELD TRIP THROUGH THE MAJOR WHEAT-PRODUCING AREA, BEGINNING THE MIDDLE OF APRIL, TO BETTER ASCERTAIN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 04321 300732Z

THE PROSPECTS FOR THIS YEAR'S WHEAT AND RABI CROP.

4. EMBOFF INFORMED BY AN OFFICIAL OF THE AUSTRALIAN HIGH COMMISSION THAT GOI HAD BEEN OFFERED AN ADDITIONAL 100-200,000 TONS OF WHEAT FOR SHIPMENT THIS CALENDAR YEAR. GOI IS ALSO SAID TO HAVE BEEN INFORMED THAT NO ADDITIONAL WHEAT WOULD BE MADE AVAILABLE UNTIL THE NEW AUSTRALIAN CROP REACHES THE MARKET NEXT DECEMBER/JANUARY. OFFICIALS OF CANADIAN HIGH COMMISSION HAVE INDICATED

THAT GOI HAS APPROACHED GOVERNMENT OFFICIALS IN OTTAWA FOR WHEAT (POSSIBLY UP TO ONE MILLION TONS) ON SOFTEST TERMS POSSIBLE. OTTAWA HAS INDICATED THEY ARE WILLING TO GIVE SYMPATHETIC CONSIDERATION TO PROPOSAL BUT AS YET HAVE NOT INDICATED THE QUANTITY THEY ARE WILLING TO SUPPLY.

5. AT THE REQUEST OF THE SRI LANKA GOVERNMENT, THE GOI HAS AGREED TO SUPPLY SRI LANKA 10,000 TONS OF RICE TO HELP TIDE OVER THE DIFFICULT FOOD SITUATION.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, PROCUREMENT, AGRICULTURAL PRODUCTION, GRAINS, STOCKPILES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE04321
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740070-0561
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974034/aaaaadfr.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. NEW DELHI 3630, B. NEW DELHI 3549
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by boyleja>; APPROVED <18 JUL 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDIAN FOODGRAIN SITUATION
TAGS: EAGR, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005